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# Appraisal Subcommittee

*Federal Financial Institutions Examination Council*

February 19, 2014

Leonard J. Howie III, Secretary  
Department of Labor, Licensing and Regulation  
500 N. Calvert Street, Room 407  
Baltimore, MD 21202-3651

Re: Background Check Legislation

Dear Secretary Howie,

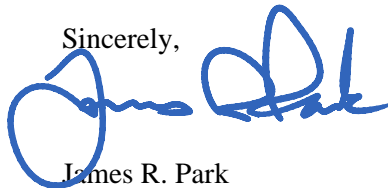
This letter is in response to an emailed question concerning whether or not a State would be permitted to issue appraiser licenses or certifications after January 1, 2015, if the appraiser has not undergone a criminal background check as required by AQB Criteria.

Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended, (“Title XI”) provides that all appraisals performed in connection with federally related transactions be performed only by individuals certified or licensed in accordance with the provisions of Title XI. The term “federally related transaction” is defined to be any real estate related financial transaction which a federal financial institutions regulatory agency engages in, contracts for, or regulates and which requires the services of an appraiser (§1121 (4), 12 U.S.C. § 3350 (4)). Section 1116 of Title XI provides that the criteria for State certified or licensed appraisers’ eligible to perform appraisals for federally related transactions must meet the minimum criteria established by the Appraiser Qualification Board (AQB).

The ASC is required by Title XI to maintain a National Registry of State certified and licensed appraisers who are eligible to perform appraisals in federally related transactions. Only AQB compliant appraisers may be placed on the National Registry. There will be no change in 2015 from the current National Registry requirements. If the State issues a credential that does not meet AQB Criteria they will need to ensure that the credential is easily distinguished from federally recognized credentials, and not place that credential on the National Registry. Appraisers not meeting the AQB Criteria will be unable to perform appraisals for any federally related transactions.

Please contact us if you have any questions.

Sincerely,



James R. Park  
Executive Director

cc: Patricia Schott, Executive Director